budget for the current year for expenditure on industrial schemes. I must, however, confess that my hopes have not been realised. The necessary machinery for initiating new schemes is non-existent in the country ; the agency to educate the people in the benefits of a subsidiary occupation has yet to be organised ; above all, adequate arrangements for providing distributing centres and finding markets for the sale of finished products must be brought into being. In short, a reconstitution of the department is imperative. The State successfully participated in the Madras Industrial and Agricultural Exhibition in December 1925.

17. Trade and Commerce.—The growth in the value and volume of imports and exports indicates prosperity which is reflected in the increase of revenue under 'Income Tax', 'Stamps', and 'Customs'. The strong revival of the rubber market and the recent high rise in the price of pepper and lemon grass oil have benefited a large section of the population. The State-aided Bank of Travancore Ltd., with a capital of Rs. 30,00,000, was registered on the 18th December 1925.

18. Co-operation.—The number of co-operative societies on the 1st Dhanu 1101 was 1,089 ; and the rapid strides with which the movement has spread in the country denote unmistakably the growing recognition of its beneficent influence for the economic rehabilitation of the masses. During the last year the societies under the supervision of the Central Bank helped the Government in distributing loans aggregating Rs. 2 lakhs for flood relief and reconstruction. One fundamental weakness in the movement is the comparative fewness of non-agricultural societies and of societies for purposes other than credit transactions. The inspectoral and other staff of the department has recently been strengthened substantially ; more honorary organisers have been enlisted ; there are welcome indications of greater non-official help; and there is a remarkably steady increase in the number of societies for depressed classes, for artisans and such others to whom the benefits of co-operation are incalculable. There is also the paramount need to consolidate the existing societies and scrutinise and improve their working side by side with the attempt to organise more societies.

19. Abkari.—As you are aware, advantage was taken of the renewal of the biennial contracts for 1100-01 to make a substantial reduction in the number of country liquor shops. The total number of shops opened under the new contracts is 1,915 against 2,015 in the previous year. The independent shop system in the case of toddy now obtains in all the taluks of the State except Devicolam where there is no manufacture or sale of toddy. The sale of arrack or toddy to minors and of arrack to adult women has been prohibited from the 1st Chingam 1102. The department has been active in putting down illicit traffic as can be judged from the larger number of cases detected and the growth in the percentage of convictions.

20. Customs.—There was an increase of Rs. 3,90,853 under customs revenue. As usual export duty formed the bulk of the receipts. In view of the very large increase in the price of pepper the export duty was raised to Bh. Rs. 10 per candy of 500 lbs. from the 1st Dhanu 1101. The old rate prevailed from before 1865 and the increased duty is expected to yield an additional annual revenue of nearly two lakhs of rupees.

21. Salt.—The development of the manufacture of home salt continued to receive sustained attention ; and a scheme for pumping brine to the Tamaracolam factories by means of oil-engines is under examination. Salt was manufactured on 345 acres in eleven *alloms* out of the fourteen *alloms* with a total cultivable area of 482 acres. The total out-turn during 1100 was 4,04,354 maunds, that is an increase of 64,319 maunds as compared with 1099. The reversion to the old rate of duty adversely affected the revenues, which suffered a sharp fall of Rs. 6,53,097 as compared with 1099. The consumption per head of population averaged 23·5 lbs. against 21·4 lbs. in the previous year. I need hardly say that the Government are keenly alive to the necessity for developing indigenous salt manufacture so as to meet at least all local requirements. The unprecedentedly heavy rains in Tulam last caused serious damage to six of the salt factories in South Travancore, and over two lakhs of maunds of salt were washed away.

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